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FOREIGN SERVICE DESPATCH

FROM: AMEMBASSY, GUATEMALA — 625 DESP. NO.

DECLASSIFICATION DATE 11/22/78 — THE DEPARTMENT OF STATE, WASHINGTON. PER Platt — OFFICE ARA

TO: — January 22, 1954 DATE

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JAN 27 1954

For Dept. Use Only	ACTION / RECD	DEPT. / INFO / OTHER
24	OLI-10 1/29	DC/R-2 ARA-2 EUR-5 S/MSA-1 OMA-2 army-35 navy-30 afoe-24 OSO-3 OCB-1

SUBJECT: Joint Weeka No. 3 from State, Army and Air Departments, from SA.

Action Taken 2-2-54 USIA-8 CIA-10

Date of Action 1AD Jim Light Ad-716

SUMMARY

The past week in Guatemala was one of increased [illegible]. Insistent rumors and reports of plots to overthrow the Arbenz Administration circulated in greater volume than usual, and speculation increased about the approaching Caracas Conference and the departure of Ambassador Peurifoy for Washington on consultation. Senator Wiley's January 14 speech to the Senate detailing Communist penetrations of Guatemala was played up by supporters of the Arbenz Administration as further evidence of imminent "intervention." Major Martínez, Chief of the National Agrarian Department (DAN) and hitherto confidant of President Arbenz, flew off to Switzerland amid conflicting rumors that he was fleeing the country and that he was on an official mission. He left the DAN in charge of Waldemar BARRIOS Klée, a Communist, and reports of invasions of private farms in Escuintla in defiance of the Agrarian Reform Law continued to be featured in the press.

Meanwhile, the government officially announced the appointment of Guillermo TORIELLO, Ambassador to the U.S., as Foreign Minister. The press continued to be certain that Guatemala would attend the Caracas Conference and that he would lead the delegation.

The Administration's leftist PRG and RN parties and the Communist Tribuna Popular protested against an alleged U.S.-Nicaraguan "military assistance pact."

DOMESTIC AFFAIRS

Rumors of Anti-Government Plots Increase: In Guatemala City this week rumors and reports of plots to overthrow the government circulated in greater volume than at any time since the Salamá uprising was put down in March, 1953, and though the ebb and tide of such rumors are a normal part of this Central American political scene, this time there was a vague undercurrent of feeling that "something" might happen in the next few months.

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Martinez Leaves for Switzerland Unexpectedly: Adding to the atmosphere of uneasiness, Major Alfonso Martinez, Chief of the National Agrarian Department and close associate of President Arbenz, unexpectedly boarded a KLM plane on January 18 with a ticket for Zurich, Switzerland, abandoning his unfinished current work of investigating Agrarian Reform disturbances in the Department of Escuintla (Weeka 2). No announcement of his departure was made, and afterwards his National Agrarian Department associates and other intimates told conflicting stories that he was going to Mexico for medical treatment and that he was going to Europe in connection with some unspecified matter of "high policy." These satisfying nobody, rumors flew that he was abandoning the country because Arbenz would not back him against the Communists inciting the Escuintla disturbances; that he wanted to get out before Arbenz was overthrown; that he had been sent on a secret official mission behind the Iron Curtain; and that he had been sent to Switzerland to hide money for President Arbenz and nervous government officials or to buy arms for the government. At the end of the week, it was still not clear just why he had gone.

Communists Continue Agrarian Reform Disturbances: With Martinez' departure, Waldemar Barrios Ajoé, a member of the Communist PGT, became Acting Chief of the National Agrarian Department and Mario SOCA, the Department's Chief Inspector, who is generally held to be a Communist, was left in charge of investigating the campesinos' invasions of private farms in Escuintla, which he has already publicly described as being "non-existent." Little further progress was made in settling the last six weeks' campesino invasions, and during the past week more groups of [illegible] were reported to be swarming into cultivated land and staking out plots for their use. The reports indicated that the practice of such illegal seizures was spreading from the Department of Escuintla to the neighboring Department of Suchitepéquez where at least one farm was victimized.

PRG Congress Reelects Charnaud MacDonald, Reaffirms Pro-Communist Orientation: The Partido de la Revolucion Guatemalteca (PRG) second largest of the leftist administration parties, held its first Party Congress on January 15-17, reelected Augusto CHARNAUD MacDonald, Minister of the Interior, as Secretary General, and confirmed the party's pro-Communist orientation by adopting positions on Agrarian Reform, the Caracas Conference and other current issues virtually identical to the Communist PGT's. The Congress also adopted a new set of Communist-type statutes substituting a Central Committee for the old Executive and Political Committees and introducing the concept of "democratic centralism." They were drawn up by Abel CUENCA, a leader of the 1932 Salvadoran Communist uprising, who is now the PRG's principal political organizer and reportedly one of the most influential behind-the-scenes political figures in Guatemala.

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President of Congress is Wounded: Guillermo OVANDO Arriola, President of Congress, was shot through the shoulder by a person he did not see while driving a jeep through his mountainous constituency of Totonicapán on January 17 and this incident has started a wave of speculation as to who might have been trying to assassinate him. The police have reported that he was shot by "rabbit hunters," a story apparently unsatisfactory to his party, the PAR, which is demanding a Congressional investigation. After receiving blood transfusions, Ovando Arriola was transferred to Guatemala City where he is now recuperating.

FOREIGN AFFAIRS

Toriello Becomes Foreign Minister: The government on January 19 formally announced the appointment of Guillermo Toriello Garrido, then Ambassador to the United States, as Foreign Minister in succession to Dr. Raúl Osegueda who "will be transferred to another post in the Administration," as yet undisclosed. Toriello's appointment, insistently rumored for the past few weeks (Weeka 2), brings to the Foreign Ministry a nationalist, non-party lawyer who has vigorously pleaded on behalf of President Arbenz' policies in Washington and at the UN and stubbornly insisted that the Communist problem in Guatemala is an artificial issue manufactured by U.S. "monopolistic" interests. Toriello returned from Washington on January 21, five days after a farewell interview with President Eisenhower, and may be expected to carry on the Arbenz Administration's main foreign policy theme of centering attention on the alleged threat of foreign intervention in Guatemalan affairs. The first problem confronting him is the posture to be adopted by Guatemala toward the Caracas Conference where the issue of Communist intervention in the hemisphere is to be discussed.

Senator Wiley's Speech on Guatemala Stirs Arbenz Supporters: The speech of Senator Alexander Wiley, Chairman of the Senate Foreign Relations Committee, before the U.S. Senate on January 14 drew immediate protests from supporters of the Arbenz Administration who did not deny that the Senator's 22 concrete examples were fact, but insisted that it was a precursor of intervention in Guatemalan affairs. The "National Democratic Front" coalition of Administration parties was reported to have discussed the speech with President Arbenz on January 20. A debate was scheduled in Congress but has not taken place because Congress has been unable to meet for lack of a quorum. The labor federation CGTG and campesino organization CNCG sent the Senator a joint protest telegram and protest statements were also made by the leftist Renovación Nacional (RN) party and the Alianza Femenina Guatemalteca (AFG), the Communist-front women's organization. The government-owned Diario de Centro América and the Communist-line Nuestro Diario both commented adversely on the speech. The independent

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P790005-0746

newspapers prominently published digests of the Senator's remarks, but editorial comment was limited to a favorable passing reference in a Prensa Libre political column.

MILITARY

The Administration Parties and Communist Daily Denounce Reported U.S. Military Assistance Pact With Nicaragua: The PRG and PR and the local Communist daily, Tribuna Popular protested against a reported "military assistance pact" between the United States and Nicaragua which they appeared to believe would entail the stationing of 54 U.S. officers and 700 enlisted men in Nicaragua. They declared that this constituted a new act of imperialistic aggression and a threat to Central American security. According to the Reuters press representative here, the basis for these protests was a misinterpretation of an INS report from Nicaragua, stating that such a pact was contemplated.

Guatemalan Officers Attend U.S. Jet Air Show in Panama: Accepting the invitation of Major General Ruben C. HOOD, a delegation of six Guatemalan officers, headed by Colonel Enrique PARAMILLO, Chief of Staff, departed for Panama on January 20 on the U.S. Air Mission plane to witness the U.S. Air Force jet demonstration in Panama on January 21. Colonels Enrique DIAZ, Chief of the Armed Forces, and José Angel SANCHEZ, Minister of Defense, had declined their invitations on presidential order.

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cc: CA Missions & Routine

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